

Privacy Act Statement. Every registration statement, short form registration statement, supplemental statement, exhibit, amendment, dissemination report, copy of political propaganda or other document or information filed with the Attorney General under this act is a public record open to public examination, inspection and copying during the posted business hours of the Registration Unit in Washington, D.C. One copy is automatically provided to the Secretary of State pursuant to Section 6(b) of the Act, and copies of such documents are routinely made available to other agencies, departments and Congress pursuant to Section 6(c) of the Act. Finally, the Attorney General transmits an annual report to the Congress on the Administration of the Act which lists the names of all agents and the nature, sources and content of the political propaganda disseminated or distributed by them. This report is available to the public.

Public Reporting Burden. Public reporting burden for this collection of information is estimated to average .49 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Chief, Registration Unit, Criminal Division, U.S. Department of Justice, Washington, D.C. 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

*Furnish this exhibit for EACH foreign principal listed in an initial statement
and for EACH additional foreign principal acquired subsequently.*

1. Name and address of registrant BKSH & Associates 1801 K Street, N.W. Suite 901-L Washington, DC 20006		2. Registration No. 5402
3. Name of foreign principal Government of Ecuador	4. Principal address of foreign principal 2535 15th Street, N.W. Washington, DC 20009	

5. Indicate whether your foreign principal is one of the following type:

☒ Foreign government

☐ Foreign political party

☐ Foreign or ☐ domestic organization: If either, check one of the following:

<input type="checkbox"/> Partnership	<input type="checkbox"/> Committee
<input type="checkbox"/> Corporation	<input type="checkbox"/> Voluntary group
<input type="checkbox"/> Association	<input type="checkbox"/> Other (specify) _____

☐ Individual—State his nationality _____

6. If the foreign principal is a foreign government, state:

a) Branch or agency represented by the registrant. Embassy of Ecuador

b) Name and title of official with whom registrant deals. Her Excellency Ivonne A-Baki, Ambassador

7. If the foreign principal is a foreign political party, state:

a) Principal address

b) Name and title of official with whom registrant deals. N/A

c) Principal aim

8. If the foreign principal is not a foreign government or a foreign political party,

N/A

a) State the nature of the business or activity of this foreign principal

b) Is this foreign principal

Owned by a foreign government, foreign political party, or other foreign principal Yes ☐ No ☐

Directed by a foreign government, foreign political party, or other foreign principal Yes ☐ No ☐

Controlled by a foreign government, foreign political party, or other foreign principal Yes ☐ No ☐

Financed by a foreign government, foreign political party, or other foreign principal Yes ☐ No ☐

Subsidized in whole by a foreign government, foreign political party, or other foreign principal Yes ☐ No ☐

Subsidized in part by a foreign government, foreign political party, or other foreign principal Yes ☐ No ☐

9. Explain fully all items answered "Yes" in Item 8(b). (If additional space is needed, a full insert page may be used.)

N/A

10. If the foreign principal is an organization and is not owned or controlled by a foreign government, foreign political party or other foreign principal, state who owns and controls it.

N/A

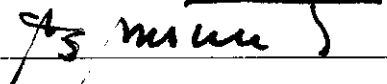
Date of Exhibit A

6/22/01

Name and Title

R. Scott Pastrick, Pres. & CEO

Signature



INSTRUCTIONS: A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements; or, where no contract exists, a full statement of all the circumstances by reason of which the registrant is acting as an agent of a foreign principal. This form shall be filed in triplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

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Name of Registrant	Name of Foreign Principal
BKSH & Associates	Government of Ecuador

Check Appropriate Boxes:

- ☒ The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach three copies of the contract to this exhibit.
- ☐ There is no formal written contract between the registrant and foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach three copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
- ☐ The agreement or understanding between the registrant and the foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and the expenses, if any, to be received.

4. Describe fully the nature and method of performance of the above indicated agreement or understanding.

See attached


5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

See attached

6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?¹
Yes ☐ X No ☐

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

See attached

Date of Exhibit B	Name and Title	Signature
6/22/01	R. Scott Pastrick President & CEO	

¹Political activity as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

Responses to Questions 4, 5, and 6 of Exhibit B

4. BKSH will monitor policy issues impacting Ecuador, provide strategic advice and counsel to our client, and advocate to officials of the U.S. Government policy positions on behalf of the Government of Ecuador.
5. BKSH will work with the Embassy of Ecuador to identify issues of interest to Ecuador. We may prepare written materials to be used in promoting the policy positions of the Government of Ecuador. We will seek to ensure that the views, positions and interests of the Government of Ecuador are known to US policymakers.
6. BKSH will work with Members of Congress and their staffs, with Executive Branch officials, and with others to achieve the objectives of the Government of Ecuador. These objectives include fostering a better understanding of the issues facing the Government of Ecuador, enhanced trade relations, and improving international assistance programs. We intend to use the written word as well as oral conversations by telephone and in person to achieve our purposes.

CONSULTING AGREEMENT

THIS AGREEMENT, made this 14th day of June, 2001, between BKSH & Associates, a division of Young and Rubicam, a Delaware corporation, having an office at 1801 K Street, NW, Suite 901-L, Washington, DC 20006 (BKSH) and the Government of Ecuador, having an office at 2535 15th Street, N.W., Washington, DC 20009 ("Client").

WHEREAS, BKSH has extensive experience, knowledge and expertise relating to the fields of public affairs and government relations and;

WHEREAS, Client is desirous of retaining BKSH to perform services as described below and to render such services to Client;

NOW THEREFORE, in consideration of the promises and the mutual covenants herein contained, the parties hereto hereby agree as follows:

1. SERVICES

BKSH will render professional services to Client. If necessary to perform services requested by Client, BKSH may also utilize the services of its parent company, and affiliates ("Partners") in the rendering of services. Said services shall include:

- (a) Strategic advice and counsel on public policy issues;
- (b) Monitoring and intelligence gathering related to legislative issues;
- (c) Broad-based House and Senate advocacy, including Member and Senator meetings and staff liaison; and
- (d) Executive Branch monitoring and liaison.

2. FINANCIAL TERMS

- (A) The retainer for services provided pursuant to this agreement shall be a total of \$180,000.00 and shall be billed in 12 equal monthly installments of \$15,000.00.

- (B) Expenses such as postage, messenger, long distance telephone charges, travel and related expenses and 3rd party vendor invoices will be billed in addition to the fees.

3. BILLING TERMS

- (A) The first month's retainer of \$15,000.00 will be invoiced to you immediately and must be paid prior to the commencement of services. Thereafter, by the 1st of each month BKSH will send you an invoice for that month's retainer.
- (B) Expenses will be invoiced monthly as incurred. Expenses shall be listed on a category basis (e.g. telephone, fax, courier, etc.). Supporting documentation will be available for review at your request.
- (C) Except as may otherwise be noted above, payment on all invoices is due within 30 days of each invoice date, unless advance payments to third parties are required. In the case of advance payments to third parties, you agree to pay us immediately upon presentation to you of any such third party invoice.

4. TERM AND TERMINATION

- (A) The initial term of this Agreement shall be from June 14, 2001 through June 13, 2002. This Agreement may be terminated by either party upon thirty (30) days prior written notice. This Agreement may be terminated by either party upon written notice to the other in the event of the other party's breach of any of the terms of this Agreement, which breach shall not have been remedied within ten (10) days of such written notice. In the event of termination, Client shall pay all charges and out-of-pocket expenses incurred up to the effective date of such termination.
- (B) Upon the effective date of the termination of this Agreement, all property or materials in BKSH's possession belonging to Client, pursuant to the terms of Section 5 herein, shall be turned over to Client.

5. OWNERSHIP

- (A) Except for materials where any intellectual property rights are vested in a third party, such as photographic negatives, unused design visuals, color separations, printing plates, artwork, etc., in which case such rights shall remain the property of such third party, all finished materials prepared for and on behalf of Client, and paid for by Client, that Client uses at least once prior to the termination hereof or which Client indicates in writing to BKSH during the term hereof as being specifically within the designated plans for adoption and exploitation by Client, shall be, as between BKSH and Client, Client's property exclusively and will be given to Client at Client's request or upon termination or expiration of this Agreement. All such materials not so used or designated shall be, as between BKSH and Client, BKSH's property exclusively.
- (B) BKSH undertakes to use all reasonable care in the handling and storing of the Client's materials but shall not be liable for loss, damage or destruction of such materials howsoever caused or for any other losses (consequential or otherwise) of any nature arising therefrom.
- (C) In purchasing materials or services on Client's behalf, BKSH will act as agent for Client and may state this relationship in contracts.

6. INDEMNIFICATION

- (A) Client is responsible for the accuracy, completeness and propriety of the information that it provides to BKSH concerning Client's products, services, organization and industry. Client is responsible for reviewing all publicity or other materials prepared by BKSH under this Agreement to confirm that all representations, direct or implied, and submitted to Client by BKSH for approval, are supportable by objective data then possessed by Client, and to confirm the accuracy and legality of the descriptions and depictions of the products and services of Client and its competitors. The Client will be responsible for ensuring that all required consents in respect of the use of all

intellectual property contained in any materials or data supplied by the Client to BKSH in relation to BKSH's services hereunder.

- (B) Client will indemnify and hold BKSH and its Partners harmless from and against all losses, damages, liabilities, claims, demands, lawsuits and expenses, including reasonable attorney's fees and expenses, that BKSH may incur or be liable for arising out of or in connection with any of the following: (i) any publicity or other materials prepared or placed by BKSH for Client, or other service performed by BKSH for Client (which were approved by Client); (ii) use of all intellectual property contained in any materials or data supplied by or at the direction of the Client to BKSH; (iii) any alleged or actual defects in Client's products or services (including, without limitation, any claim for bodily injury or death); (iv) or allegations that Client's activities violate or infringe upon the copyright, trademark, patent or other rights of any third party, or that Client's activities induce, promote or encourage the violation of or infringement upon the rights of any third party.
- (C) Client's obligations under this Section 6 include payment by Client to BKSH for all time charges and expenses (including reasonable attorney's fees and expenses) incurred by BKSH in connection with any subpoena, discovery demand or other directive having the force of law or governmental inquiry to which Client does not object, served upon BKSH or any of its Partners that relates to Client, its business or its industry that arises out of any litigation, proceedings or investigations involving Client.
- (D) BKSH will notify the Client of BKSH's receipt of any notice or claim or demand or service of legal process involving any matter which the Client has agreed to hold BKSH harmless provided always that failure by BKSH to so notify the Client shall not prejudice in any way BKSH's right hereunder to be indemnified.
- (E) BKSH shall indemnify and hold Client harmless from and against all losses, damages, liabilities, claims, demands,

lawsuits and expenses, including reasonable attorney's fees and expenses, that Client may incur or be liable for as a direct result of the negligence or willful misconduct of BKSH or its employees.

- (F) Client acknowledges that after any materials or information to be communicated hereunder has been issued to the media or any other third party, its use and dissemination is no longer under BKSH's control. The Client further acknowledges that BKSH shall not be responsible for the accuracy of any information published by the media or any other third party. The Client agrees and acknowledges that in issuing information hereunder BKSH is acting solely as the agent of the Client.
- (G) The indemnity obligations of the Client hereinabove set forth shall be in addition to any liability Client may otherwise have and these obligations shall be binding upon and inure to the benefit of any successors, assigns, heirs, and personal representatives of Client, BKSH and any other Indemnified Person.
- (H) The terms and conditions of this Section 6 shall survive any termination of this Agreement

7. CONFIDENTIALITY

BKSH, on behalf of itself and its employees, hereby covenants and agrees that it:

- (A) Shall exercise reasonable care and caution to keep confidential any and all proprietary information concerning Client's business and operation which becomes known to BKSH by reason of performance of its services on Client's behalf, and which information is clearly marked "confidential" or specifically identified in writing as confidential ("Confidential Information"). Confidential Information includes, but is not limited to, corporate plans and strategies, new product samples, specifications, formulations and pricing information;
- (B) Shall not disclose any Confidential Information to any person outside of the employ of BKSH, unless to do so is required in

connection with the performance of its services, and in such event BKSH hereby agrees to advise said third parties of the confidential nature of said material and;

- (C) Shall return to Client all such Confidential Information which is in a tangible form then in its possession at the termination of BKSH's services, except that BKSH shall be entitled to keep evidence of its work product.

It is further agreed that Confidential Information shall not include the following:

- a) information that is in the public domain at the time of disclosure to BKSH or which enters the public domain through no fault of BKSH or its employees;
- b) information that is in the possession of BKSH or its employees at the time of disclosure to BKSH;
- c) information that BKSH, or its employees, receive from a third party, and
- d) information that is required to be released in compliance with any court order or other directive having the force of law.

8. COMPLIANCE WITH LAWS

- (A) BKSH shall be responsible for making full and necessary disclosure of this agreement and the activities specified herein, pursuant to the requirements of the Foreign Agents Registration Act, 22 U.S.C. Section 611 et seq., the Lobbying Act, 2 U.S.C. Section 261 et seq., and similar statutes.
- (B) The parties hereto agree that BKSH is subject to the provisions of the Foreign Corrupt Practices Act, 15 U.S.C. §78dd-2 (the "Act"). The parties hereto mutually agree, for themselves and their employees, agents and intermediaries, that they will not pay, and will not permit or suffer any agent, intermediary or employee to pay, directly or indirectly, any money or thing of value, to any official of the government of any nation or political subdivision thereof, or any of their agencies, instrumentalities, corporations or ventures, or to any political party, official thereof, or any candidate, for the

purposes of influencing the acts, omissions or decisions, in an official capacity, of such official, party or candidate in violation of his/her or its lawful duty or inducing him or it to exercise his/her or its influence to affect or influence any act or decision of such government or instrumentality or to obtain or retain business for BKSH or Client.

Moreover, before making payment of any money or thing of value on behalf of, or with funds directly or indirectly received from BKSH or Client, the parties hereto will make such inquiry as the circumstances may indicate is prudent into whether the immediate recipient and any ultimate recipient or beneficiary of such payment may have any official status with the government of any nation or political subdivision thereof, or any of their agencies, instrumentalities, corporations or ventures, or with any political party, official thereof, or any candidate for political office.

Should either party become aware of a possible violation of the Act, or of the facts and circumstances from which a prudent person could conclude that further inquiry is necessary to determine whether such a violation has occurred, is occurring or is likely to occur, such party will give representatives designated by BKSH immediate notice of such violation, facts or circumstances, and will cooperate fully, and direct all agents, employees and others BKSH may retain or direct in connection herewith, to cooperate fully, with any inquiry or investigation BKSH may conduct.

9. NON-SOLICITATION OF EMPLOYEES

BKSH agrees not to solicit or hire the Client's employees, who are directly or indirectly involved in matters related to this Agreement for employment with BKSH, and the Client agrees not to solicit or hire BKSH's employees, who are directly or indirectly involved in matters related to this Agreement for employment with the Client, with effect from the time that this Agreement comes into force until one year after the expiry of this Agreement. In the event that either BKSH or the Client contravenes this Section 9, without obtaining the other party's prior written consent, such party will be liable to the other party for a one-time payment equal to 50% of the seduced employee's annual compensation.

10. CONSTRUCTION

This agreement shall be construed in accordance with and governed by the laws of New York. Any dispute arising out of this Agreement shall be adjudicated in the courts of New York, and Client hereby agrees that service of process upon it by registered or certified mail at its address set forth above shall be deemed adequate and lawful. The parties hereto shall deliver notices to each other by registered or certified mail (return receipt requested) at the addresses set forth below.

11. TITLES

Titles are for reference only. In the event of a conflict between a title and the content of a section, the content of the section shall control.

12. ENTIRE AGREEMENT

This agreement constitutes the entire Agreement with respect to the subject matter hereof, and may only be modified or amended in writing and signed by authorized representatives of both parties.

IN WITNESS WHEREOF, authorized representatives of the parties hereto have executed this agreement as of the date specified below:

BKSH & Associates
1801 K Street, NW
Suite 901-L
Washington, DC 20006-1201

Government of Ecuador
c/o Embassy of Ecuador
2535 15th Street, N.W.
Washington, DC 20009

By: 

By: 

Print Name Charles R. Black Jr.

Print Name HEINZ MOELLER

Title: CEO

Title: MINISTER OF FOREIGN AFFAIRS

Date: 6-14-01

Date: 14th - JUNE - 01